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Mission

Build energy efficient housing

Provide education on sustainability

Improve housing conditions of the local workforce through an **affordable** program.

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CR Homeowner Guide

How it all began

The Vision

Community Rebuilds is a nonprofit based out of Moab, UT. The organization's inception began in 2007, when founder Emily Niehaus (a loan officer at the time) realized the lack of affordable housing in Moab. The "affordable" homes available to residents comprise largely of trailer homes built prior to modern building codes. Not only are these homes no longer financeable, they are considered liabilities and are poorly insulated, inducing high energy bills. With a clear lack of quality housing options available to the Moab workforce, the vision of replacing trailer homes with modest, natural, and energy-efficient homes was the logical solution.

The Execution

Emily was drawn to straw bale building by it's simplicity, beauty, and low-carbon impact. The barriers that Emily faced in pursuing this type of construction is that it's labor intensive and there is a lack of expertise in the field. Her solution was to create an internship program that sources volunteer labor and provides instruction on straw bale building. Most courses or workshops for natural building are extremely costly and inaccessible to many people. By developing a free internship program, Community Rebuilds is able to provide young emerging professionals the opportunity to learn natural building skills while also supplying a free construction crew for the build.

Growth

The first CR home was completed in 2010. CR has expanded our programming since then, building homes in Gunnison County, CO, the Hopi Reservation in Arizona, and San Juan County, UT. CR alumni and volunteers also built a two-story straw bale intern bunkhouse in 2018. Raising our building standards in 2019, we participated in the Living Building Challenge, a green building certification on four of our homes. Since our beginnings, CR has gained traction as a leader in low-carbon, modern, natural building.

A level playing field

A goal of CR is to empower women and LGBTQ+ people interested in the field of building. Construction sites are typically male-dominated (according to the US Department of Labor, women make up 9% of the construction workforce), which creates a barrier to women and LGBTQ+ folks entering these occupations. There are very few construction industry groups in the US for LGBTQ+ workers (Queer Advocacy and Knowledge Exchange, or Qu-AKE being one of the first) and CR takes on the role of breaking down barriers that limit women and LGBTQ+ workers from entering the construction realm. CR reserves half of our internship spots for those who identify as women and prioritizes those who have been historically discriminated against on the basis of gender or race.

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Volunteer labor + simple design + natural materials = **half the standard cost of construction in Moab**

Passive/active solar + highly insulative walls + energy-efficient systems = **$8-13 monthly electric bills**

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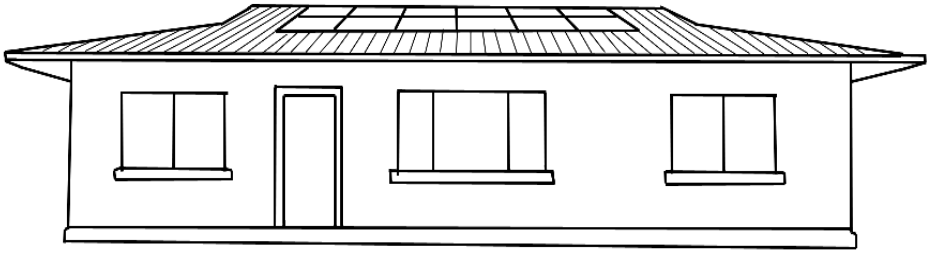

The Community Rebuilds Price Tag

Low Construction Cost

Community Rebuilds has developed an innovative affordable housing solution by finding creative ways to reduce the cost of construction. These methods include:

- Recruiting interns through an education program to complete the extra construction labor tasks associated with natural building. The homeowner's labor is an additional cost reduction.
- Utilizing simple architectural designs that lower design costs.
- Incorporating healthy natural materials that are "dirt cheap," such as mud and straw, and using recycled, salvaged, and donated building materials wherever possible.

By implementing these low-tech methods, we have reduced the construction cost for our single-family Moab homes to roughly half the standard costs of construction in a region where housing and land costs are high. The Community Rebuilds program **reduces the cost of each home by $70,000-$100,000**.

Energy Positive Homes

We combine passive and active solar design with highly insulating straw bale wall systems, and thermal mass adobe floors to significantly decrease future heating and cooling costs. Our homes are not only affordable to build, but the cost savings continue through the life cycle of our homes.

A solar photo voltaic array is now a standard feature of the CR home. With this added source of energy, homeowners are experiencing utility bills of **$8-13 per month** – simply the cost to tie into the local grid system. We are proud to say that most CR homes create more energy than they consume.

Education Exchange

One of the biggest cost-reducing practices employed by CR is the natural building internship program. The internship is open to young emerging professionals from all over the world, wishing to gain experience in the field of natural building. Interns perform the extra construction labor associated with natural building in exchange for the skills and knowledge they learn while in the program. They are also provided with housing and a food stipend.

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The 502 Direct Loan
Low interest rate
Subsidy available
33-38 year payback period
No down-payment*

Mutual Self-Help Program
Homeowners spend an average of 100 hours per month (23 hours per week) building each other's homes.

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USDA Rural Development

USDA Partnership

How CR Homes are Financed

Community Rebuilds has developed a mutually beneficial relationship with the United States Department of Agriculture's Rural Development Mutual Self-Help Program. Through this program, we are able to help eligible homeowners qualify for the **502 Direct Loan** and participate in the **Mutual Self-Help Program**. These two sources in conjunction allow for the costs of land, construction, and Community Rebuilds instructors to be fully covered.

The 502 Direct Loan

The 502 Direct Loan is one of the best loan products currently on the market for very-low and low income households. Below are some important characteristics associated with this particular loan:

- The loan amount is determined by the applicant's repayment ability. Regardless of this ability, applicants cannot borrow more than the area's loan limits. USDA area loan limits can be viewed here: https://www.rd.usda.gov/files/RD-SFHAreaLoanLimitMap.pdf
- An **extremely low interest rate** is also associated with the 502 Direct Loan. The fixed interest rate is based on current market rates at loan approval or loan closing (whichever is lower), but the interest rate can be as low as 1% when modified by payment assistance/subsidy. Historically, interest rates have been between 1% and 3.5% and are always substantially below prime interest.
- The **payback period is 33 years**. A 38 year payback period is available for very-low income applicants who can't afford the 33 year loan term.
- There is typically **no down-payment** required. *Applicants with assets higher than the asset limits may be required to use a portion of those assets.

The Mutual Self-Help Program

Community Rebuilds is a recipient of the USDA's 523 Mutual Self-Help Grant. This grant directly supports the salaries of our supervisors, instructors, and program staff. By receiving this grant, and therefore participating in the Mutual Self-Help Program, homeowners are subject to several stipulations.

The first stipulation relates to the "self-help" aspect. A CR homeowner is an active participant in the building of their home and must be able to commit to working a minimum of **100 hours per month** (23 hours per week). Households are allowed to recruit additional volunteers (aka friends and family) to help with these hours. However, at least 50% must be done by direct household members.

The "mutual" aspect of the program indicates that homeowners will also work on the homes of other households participating in the build cycle. This is a group effort and homeowners may not move in until all homes are complete. Interns contribute to the build for five months. Any unfinished tasks will be completed by homeowners in the months following the build.

For more information and current figures, visit the website for the USDA Rural Development Program. (https://www.rd.usda.gov/ut)

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Prequalification
Resident for 2+ years
Very-low to low income
Only loan option

Average time line = 6 months to 2 years, dependent on:
Number of people on waitlist
Your own financial situation
Pre-1976 trailer priority

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Homeowner Selection Process

Pre-Qualification and Loan Process

Community Rebuilds keeps a pipeline of potential homeowners at all times. To be added to this pipeline as a candidate, the first step is to complete our **Pre-Qualification Application** and **Participation Agreement** (available on CR website). Initial eligibility is determined by two factors:

- Must have lived in the community for a minimum of **two years**.
- Must be in the **very-low to low income** range. Note – Some households with a combined income higher than the area income limit may still be eligible if you qualify for special deductions. Deductions may result based on student status, elderly household members, dependents, medical expenses, etc.

The next step toward building your CR home is to apply for the 502 Direct Loan discussed in the previous section. CR will assist eligible applicants with the submission of an official loan application to the USDA, which will require extensive financial documentation. A full list of necessary documents will be provided by CR.

Helpful Tips

Typically, it takes **between 6 months to two years** from the time an eligible applicant is added to the pipeline to qualify for the 502 Direct Loan and to be ready to build their CR home. Factors affecting that length of time include:

- The **number of potential homeowners** already in the pipeline. CR operates on a first come, first serve basis. We work to qualify each applicant in the order in which their Pre-Qualification Application was received.
- **Your own financial status**/eligibility. Despite pre-qualification, it can take some time to get all of the ducks in a row for the loan application process.
- **Pre-1976 Trailer Prioritization**. Due to potential health risks and extreme energy inefficiency, CR may prioritize replacement of pre-1976 trailers for any applicants currently owning such dwellings.

While You Wait

While you are waiting for your turn in the queue to come up, here are some helpful tips to prepare you for the loan application:

- Be sure to keep your monthly minimum payments low, since it can affect your loan amount, and pay all of your bills on time.
- If you're self-employed, your business must have been operable for at least two years to qualify as repayment income. Income for self-employed applicants will be calculated based on an average of the past two year's earnings.
- Continue to send CR updated income information and tax returns.
- Keep bank statements and pay stubs on hand, as we will be requesting them.

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Homeowners do not have direct access to spending. CR will take care of book keeping.

Homeowners will be able to make many choices – but homes cannot appear overly lavish.

A CR home is under warranty for the first year after the build.

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Budget and Design

Spending and Planning

All bookkeeping will be handled by CR staff, but homeowners will be involved in the monitoring of all purchases. Below are some general guidelines to consider when it comes to budgeting:

- Anything you buy on your own must be an approved budget item to be reimbursed by CR (please keep and submit all receipts).
- Be mindful of the budget and that CR homes are not custom homes (despite you making certain design choices). Any materials and fixtures that can be up/recycled are of great benefit. Avoid unnecessary costs such as rusted metal roofs and designer paint colors.
- Utilize budget for high quality windows and exterior doors, as this is where quality matters.
- Expect and plan to do all landscaping on your own. Make sure to plan this thoughtfully.
- Only hire contractors and subcontractors who are licensed and insured.

What is and isn't in a CR home

It's important to keep in mind that although CR does allow for many aesthetic choices to be made by the homeowner, we are not in the business of customized homes - **we build modest, affordable housing**. Homeowners will be allowed to decide on many finishes such as plaster colors, trims, exterior colors, roof color, cabinetry, hardware, lighting, and make floor plan adjustments, but our homes cannot appear overly lavish. Decisions on special details and requests will be left to the discretion of the build team. Keep in mind, what has been done in the past on CR homes, may not be an option on your home.

CR homes have:

Solar panels
Electric appliances
Mini splits (heat/cooling)
Thermal mass floors
Earthen plaster
Large south-facing windows

CR homes do not have:

Gas appliances
Wood-burning stoves
Swamp coolers
In-floor heating
Garages
Carpeting

Home Warranty

The homes are under warranty for the first year once construction has commenced, meaning homeowners will have access to CR build staff to consult on any malfunctions or maintenance issues that result in that time frame. CR does empower our homeowners to make repairs independently. Most of the maintenance methods for a straw bale home will be reviewed with the homeowner prior to the end of the build. Homeowners will also be equipped with a maintenance manual for their home, containing information such as what cleaning products to use, how to care for their natural plasters and adobe floors, appropriate cleaning products, and the accompanying paperwork for all fixtures and appliances.

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Homeowners must work **100 hours monthly** (23 hours weekly) on any homes being built during their term.

Homeowners should regularly show their **appreciation** for the CR interns.

Plan on moving in **one month** after end of the build term, and finishing the home if necessary.

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Homeowner Expectations

Tracking Hours

The Mutual Self-Help Program stipulates that CR homeowners must commit a minimum of **100 hours a month** (23 hours per week) per household to the direct construction of their home and other homes being built during their cycle. Hours must be signed off on by the build team for each day the homeowner works on site. These hours are submitted weekly to CR's Program Director. Repercussions of falling behind on hours are as follows:

- 15 hours behind – Meeting with build team to determine a make-up plan.
- 30 hours behind – Cessation of interns and build team working on home
- 45 hours behind – Expulsion from program

These consequences are meant to encourage homeowners to keep on track with the build schedule. Though strict, such actions are rarely taken, and CR is there to help you navigate the waters through mandatory weekly homeowner meetings with the program director.

Intern Engagement

One of the highlights of the CR natural building internship is that the interns get to work side-by-side with you! Interns are donating 840 hours of labor and it is important for them to build relationships with the people they are building a house for. Not only does your presence provide value for them, but your acknowledgement and appreciation of the labor they are providing is extremely important. While interns are provided with housing and education, the organization ultimately views them as customers and it is paramount to **create a great intern experience.** Past homeowners have shown their appreciation by providing drinks and dessert for the orientation dinner, bringing treats to site, hosting dinners, and taking interns for fun outdoor adventures.

Learning Objectives

On the days you are scheduled to work on site, plan to be there for the whole day from start to finish. This will be the most beneficial for you and least disruptive for the build team/interns. While exceptions are made, the expectation is a full day's participation. The parts of the build that are most important for you as the homeowner to participate in are interior framing and blocking, interior and exterior plaster, and exterior painting.

Move-In

Make sure you give yourself at least **one month cushion** at the end of the build before you plan to move in as there may be unforeseen delays. In the event that the home is not finished before the end of the intern semester, the **homeowners in the group will work together to complete the homes.** Upon moving in, USDA will ask you to provide a written account of your experience to help advocate for the self-help program and affordable housing. Community Rebuilds will also be requesting tours of your home several times a year in order to exhibit our work to intern groups or potential homeowners.

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Homeowners are not permitted to operate nightly rentals or commercial farms.

CR holds a second lien on the home for a 20 year period.

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Program Regulations

USDA Regulations

Building a home with the 502 loan places certain ongoing restrictions on activities involving the property for the life of the loan. Primarily, homeowners must understand that their property cannot be income producing.

If you choose to have a long-term renter/roommate in the home, that tenant's earnings must be reported as part of the annual total household income. This could jeopardize subsidized payment assistance. While homeowners are permitted to have roommates, they are **not allowed to conduct nightly rentals** (such as an Airbnb or VRBO) out of their home, have an accessory dwelling unit, or operate a commercial farm on the property. Home based operations that do not require specific land features, such as child care, product sales, and massage therapy are not restricted by USDA. Failure to comply with these restrictions may result in loss of payment assistance or foreclosure initiated by USDA Rural Development.

Community Rebuilds Second Lien and Deed Restrictions

The purpose of the second lien is to encourage long-term occupancy by the initial homeowner. The equity calculation is the difference between the appraised value of the home and the amount of the 502 Direct Loan. **This lien will distribute equity back to the homeowner over a 20 year period at a rate of 5% per year.**

Indefinite deed restrictions are attached to all CR properties. These restrictions are as follows:

- Home must be sold to primary/owner occupants – reserving affordable housing stock for members of the Moab workforce.
- CR has first right of refusal, which would potentially allow for the home to be resold to a new homeowner applicant.
- The property can never be used for nightly rentals.

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MACLT provides **affordable housing** in their newly developed subdivision, Arroyo Crossing.

Amenities include common open spaces, community garden, walking and biking trails, and three community-oriented buildings.

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Arroyo Crossing

What is Arroyo Crossing?

Arroyo Crossing is a subdivision of 300 units managed by the Moab Area Community Land Trust (MACLT). The land trust presents an exciting opportunity for Community Rebuilds because half of the lots are reserved for low-income households and all units' resale values will be price-restricted to prolong affordability. CR has 24 lots reserved on Arroyo Crossing and will be developing them from 2021-2022. We will potentially be reserving additional lots pending availability. The development will eventually contain a mix of apartments, cottages, duplexes, and single-family homes. Housing units on the property will be available to individuals and families who meet income eligibility requirements. The land was donated to MACLT, thereby significantly reducing the cost of development by leasing the land to the homeowners. The homeowner owns the house and all other improvements on the leased land. The lease remains valid as long as lease fees and property taxes are paid.

Amenities

This project will provide housing opportunities for hundreds of local families and workers. Local permaculture specialist, Jeff Adams, has been hired to design the community landscaping, to include a community garden and common open spaces. There will be walking and biking trails throughout Arroyo Crossing and a paved bike path that will connect the subdivision to the city along Spanish Valley Dr. Additionally, there are three nonresidential lots available for community-oriented businesses or organizations.

Covenants, Conditions, and Restrictions (CCR's) Overview

MACLT has specific design requirements as well as requirements surrounding fencing, parking, garbage can placement, satellite placement, etc. in an effort to create a tidy aesthetic. All accessory structures must be approved by MACLT. Front and side yard landscaping shall be complete prior to occupancy of the unit. Rear yard landscaping shall be complete within 6 months of occupancy. Turf or grass shall only be allowed if the building has an operating greywater system in place and no more than 25% of the landscaped area may be turf or other water-intensive ground covers. Except for gardens used for food production, the remainder of the landscape shall be predominantly xeriscaped with native or adaptive, but non-invasive plant species. Each lot's landscape plan shall include at least one shade tree of an adaptive, non-invasive species.

Lease Agreement Overview

MACLT leases the land to the homeowner. Homeowners must be primary residents of Moab. Short term rentals (less than 30 days) are prohibited, and long term rentals are subject to written approval by MACLT. The homeowner shall pay a monthly lease fee of $28-52 (on the first of each month or escrowed within mortgage payment); fees may increase up to 3% each year. Land inspections occur on occasion. Should the homeowner decide to sell the home, they must notify MACLT. Selling the home, refinances, and liens must be approved and MACLT has first right of refusal. The maximum sales price is calculated from the homeowner's base cost price plus an annual increase of 3%. Upon resale, the lease will transfer to the new owner who must meet income eligibility requirements.

Note that this is a third-party summarization of the Arroyo Crossing development. To find updated information, visit https://www.moabclt.org/arroyo-crossing or contact MACLT at 435-259-8664 or graham4grand@yahoo.com.

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Arroyo Crossing plat
The 24 lots indicated here are reserved for development by Community Rebuilds.

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Arroyo Crossing Plat

The 24 lots indicated on the plat have been reserved by Community Rebuilds and will be developed from 2021 through 2022. Tract A (on the far left) contains six separate lots that are not displayed on this plat.

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Land must be in **Moab** or **Spanish Valley**.

Sites must be approved by CR staff and board, USDA, and state engineer.

Having land can help expedite time on the waitlist, but this is not a guarantee.

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Land Requirements

Eligible Properties

For current landowners wishing to build a CR home on their property, or for those preemptively searching for land there are several requirements for the land to be deemed buildable:

- **Land must be within close proximity to our intern housing** and other projects – i.e. Moab and Spanish Valley. At this time, we are unable to build in Castle Valley, Monticello, La Sal, or Thompson Spring.
- If there is dwelling on the property already, it must have been build prior to 1976 or be considered dilapidated.
- Our current plan size and design must fit on the property and within the HOAs/CCNRs for certain subdivisions.
- The property should have good access to solar gain. Part of what makes CR homes such a great benefit to the homeowners is the energy efficiency, which is largely derived from both active and passive solar. This means properties we build on receive enough direct sunlight to allow panels to be an effective option, along with ability for passive solar design.
- The property cannot be income producing, such as operating a commercial farm, or nightly rental on the property.
- If property is in the flood zone, flood insurance may be required, which could jeopardize the financial feasibility for some homeowners.

Application Process for Current Landowners

Land ownership will be indicated on your pre-qualification application. Some additional things CR will need are the address, lot size, and pictures of the property from several angles. Once this information is received, the CR program director will visit the site to ensure it meets all of the requirements. From there, the **land must be approved by USDA Rural Development, the state engineer, and the Community Rebuilds Board of Directors.**

Assuming the land meets the requirements, already owning property can often expedite the amount of time spent on the wait list, but can delay as well, depending on proximity to other projects.

Don't Have Land?

If you are applying for CR without owning land, don't worry – many people are in your shoes. There is no cut and dry process for land when it comes to the CR program. It is always a good idea to be on the look out for lots that meet the criteria listed above. In the chance that you do find property while in the applicant queue, please consult CR program director before submitting a purchase contract, to ensure it meets our criteria.

For recent builds, CR has been able to procure large lots that can be subdivided and sold to applicants who do not own land.